

## EMPLOYEE LEAVE CREDIT BUYOUT

8558

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CAL FIRE is required to recover its full costs when providing goods or services to other government entities. This requirement is found in the State Administrative Manual (SAM) Section 8752, which provides:

*“The State policy is for departments to recover full costs whenever goods or services are provided for others. This policy, which applies to all departments, regardless of funding sources, is to be followed in all cases except where statutes prohibit full cost recovery.”*

Consistent with SAM 8752, all personnel costs funded by contracts/agreements with other agencies, such as Public Resources Code 4142 (Schedule-A), shall be charged to the appropriate cooperating/contracting agency. This includes accumulated leave credits that are purchased when employees retire.

To accomplish this, CAL FIRE will:

- Calculate a “Lump Sum Buyout Employee Benefit Rate” that will be applied to all permanent and temporary hire state employees that are funded by contracts/agreements.
- The calculation will be the 5-year total for the actual “Lump Sum Buyout” information as provided by State Controller’s Office divided by the 5-year total of wages for all employees funded by contracts and /or agreements.
- The years of calculation will start with the most recently available full fiscal year.
- The rate will be included as part of the “Staff Benefit Rates” that are applied against salaries as described in the “Salary, Differential, and Operating Expense Schedule”, both of which are updated and posted annually.
- The Lump Sum Buyout Benefit Rate will be phased in as follows:
  - 33.33% of the calculated rate for Fiscal Year 2010/11
  - 66.66% of the calculated rate for Fiscal Year 2011/12
  - 100% of the calculated rate starting with Fiscal Year 2012/13 and continuing

The following information is provided as guidance to Departmental managers:

- Departmental managers are directed to maintain employee leave balances per Department policy as found in Handbook Section 1067 and employee Bargaining Unit MOU’s.

- Currently, per Department Policy 1067, an employee's annual leave balance carryover may not exceed 640 hours of vacation/annual leave and 6 holidays.

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